

**UNITED STATES DISTRICT COURT
DISTRICT OF OREGON**

KEVIN MURPHY, Individually and on Behalf)	
of All Others Similarly Situated,)	Case No.
)	
Plaintiff,)	<u>CLASS ACTION</u>
)	
vs.)	COMPLAINT FOR VIOLATION OF
)	THE FEDERAL SECURITIES LAWS
PRECISION CASTPARTS CORP., MARK)	
DONEGAN, and SHAWN R. HAGEL,)	
)	<u>JURY TRIAL DEMANDED</u>
Defendants.)	
)	
)	
)	
)	

Plaintiff Kevin Murphy (“Plaintiff”), by and through his undersigned counsel, alleges the following individually and on behalf of a class of all persons and entities similarly situated, upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s allegations are based upon the investigation of Plaintiff’s counsel, which included a review of U.S. Securities and Exchange Commission (“SEC”) filings by Precision Castparts, Corp. (“Precision” or the “Company”), as well as regulatory filings and reports, securities analysts’ reports and advisories about the Company, press releases and other public statements issued by the Company, and media reports about the Company. Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

INTRODUCTION

1. This is a class action brought on behalf of all persons or entities who purchased or otherwise acquired the publicly traded securities of Precision between May 9, 2013 and January 15, 2015, inclusive (the “Class Period”) seeking to pursue remedies under the Securities Exchange Act of 1934 (the “Exchange Act”).

2. Precision is a manufacturer of complex metal components primarily marketed to industrial and aerospace customers. The Company produces large structural investment castings, airfoil castings, forged components, aerostructures, and highly engineered fasteners for aerospace applications.

3. Throughout the Class Period, Precision touted its growth prospects and assured investors that customer demand for its products was stable. In reality, Precision was losing significant market share to its competitors. Rather than disclose the true state of its financial condition and future growth prospects, Precision concealed its loss of market share and attributed declining sales figures to a temporary condition that would resolve itself in the near future.

4. The truth about the permanent decline in demand for Precision products began to emerge on July 24, 2014, when Precision issued a press release announcing its first-quarter fiscal 2015 financial results, which missed consensus estimates. Defendants blamed the Company’s poor earnings results on a temporary decline in sales, but assured investors that these sales would reappear in the near future.

5. On news of Precision’s earnings miss, shares of Precision fell 5.5 percent, from \$250.03 per share at prior close to close on July 24, 2014 at \$236.21 per share.

6. On October 23, 2014, Precision issued a press release announcing its second-quarter fiscal 2015 financial results, which again missed consensus estimates. Defendants

continued to blame the Company's poor earnings results on a temporary decline in sales, and once again assured investors that these sales would reappear in the near future.

7. On news of yet another earnings miss, shares of Precision fell 2.1 percent, from a prior close of \$230.94 per share to close at \$226.20 per share.

8. On January 15, 2015, Precision preannounced missed third-quarter 2015 sales and earnings. The Company attributed these poor results in part to a greater-than-anticipated decline in sales to a key customer.

9. On this news, shares of Precision declined from prior close of \$219.72 per share to \$199.63 per share at close on January 16, 2014, or 9.1 percent.

10. Throughout the Class Period, Defendants made materially false and/or misleading statements regarding its business practices and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose the following: (1) that the Company was losing significant market share to its competitors; (2) that this loss of business to competitors was not, as the Company represented, a temporary decline in sales that would reappear in the near future, but was instead a permanent decline in demand for the Company's products; and (3) that, as a result, the Company's positive statements about its business, operations, and prospects lacked a reasonable basis.

11. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

12. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

13. This Court has jurisdiction over the subject matter of this action pursuant to Section 27 of the Exchange Act, 28 U.S.C. § 1331 (15 U.S.C. § 78a(a)).

14. Venue is proper in this Judicial District pursuant to 28 U.S.C. §1391(b) and Section 27 of the Exchange Act (15 U.S.C. §78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the preparation and dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District. Additionally, Precision's principal executive offices are located within this Judicial District.

15. In connection with the acts alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications, and the facilities of the national securities markets.

PARTIES

16. Plaintiff purchased the common stock of Precision during the Class Period, as set forth in the certification attached hereto, and was damaged as the result of Defendants' wrongdoing as alleged in this complaint.

17. Defendant Precision is a Delaware corporation with its principal executive offices located at 4650 S.W. Macadam Ave., Suite 400, Portland, Oregon 97239-4262. The Company's stock was listed on the New York Stock Exchange (the "NYSE") under the ticker symbol "PCP," until the Company was privately acquired on or around February 1, 2016.

18. Defendant Mark Donegan ("Donegan") is the Chief Executive Officer of Precision and Chairman of the Company's Board of Directors.

19. Defendant Shawn Hagel ("Hagel") is the Chief Financial Officer of Precision.

20. Defendants Donegan and Hagel are collectively referred to hereinafter as the “Individual Defendants.” The Individual Defendants, because of their positions with the Company, possessed the power and authority to control the contents of Precision’s reports to the SEC, press releases, and presentations to securities analysts, money portfolio managers and institutional investors, *i.e.*, the market. Both Individual Defendants were provided with copies of the Company’s reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein, as those statements were each “group-published” information, the result of the collective actions of the Individual Defendants.

SUBSTANTIVE ALLEGATIONS

Background

21. Precision is a manufacturer of complex metal components primarily marketed to industrial and aerospace customers. The Company produces large structural investment castings, airfoil castings, forged components, aerostructures, and highly engineered fasteners for aerospace applications. The Company operates in three segments: (1) Forged Products; (2) Investment Cast Products; and (3) Airframe Products, all of which produce parts for aerospace customers.

22. In each segment, the Company sells to large aerospace customers including Boeing, General Electric, Pratt & Whitney, and Rolls-Royce. Precision relies on the aerospace market for seventy percent of its overall sales.

Materially False and Misleading Statements Issued During the Class Period

23. The Class Period begins on May 9, 2013. On that day, Precision issued a press release announcing its fourth-quarter fiscal 2013 financial results. The Company stated as follows in that press release:

Precision Castparts Corp. (NYSE:PCP) continued to effectively leverage sales in its major markets in the fourth quarter of 2013, driven by year-over-year growth in commercial OEM aerospace demand, steady improvement in industrial gas turbine (IGT) spares, and accelerating oil and gas downhole casing production, along with a full quarter of strong Timet performance.

Fourth Quarter Fiscal 2013 Financial Highlights

Sales totaled \$2.44 billion in the fourth quarter of fiscal 2013, growing 25 percent over sales of \$1.95 billion in the same period last year. Consolidated segment operating income improved by approximately 26 percent year over year, rising to \$627.3 million, or 25.7 percent of sales in the quarter, versus consolidated segment operating income of \$497.5 million, or 25.6 percent of sales a year ago. Net income from continuing operations (attributable to PCC) in the fourth quarter was \$415.1 million, an increase of 23 percent over net income of \$338.2 million in the fourth quarter of fiscal 2012. In the quarter, the Company delivered earnings per share (EPS) from continuing operations (attributable to PCC) of \$2.82 (diluted, based on 147.1 million shares outstanding), compared to \$2.31 (diluted, based on 146.2 million shares outstanding) last year.

Including discontinued operations, PCC's net income (attributable to PCC) for the fourth quarter of fiscal 2013 totaled \$414.2 million, or \$2.82 per share (diluted).

24. On May 30, 2013, the Company filed its Annual Report with the SEC on Form 10-K for the fiscal year ended March 31, 2013. The Company's Form 10-K reaffirmed the Company's financial statements and reports announced in the May 9, 2013 press release.

25. On July 25, 2013, Precision issued a press release announcing its first-quarter fiscal 2014 financial results. The Company stated as follows in that press release:

Stable shipments in line with high aircraft build rates, solid power markets, and heightened acquisition activity during fiscal 2013 fueled 20 percent year-over-year sales growth for Precision Castparts Corp. (NYSE:PCP) in the first quarter of fiscal 2014, with increased earnings reflecting strong leverage in the base businesses and further acceleration in the rapid integration of TIMET and other recent acquisitions.

First Quarter Fiscal 2014 Financial Highlights

Total sales in the first quarter of fiscal 2014 were \$2.37 billion, improving by 20 percent over sales of \$1.97 billion a year ago. Consolidated segment operating income was \$644 million, a 25 percent increase compared to \$515 million last year. Net income from continuing operations (attributable to PCC) in the first quarter grew by 23 percent to \$424 million over net income of \$344 million in the first quarter of fiscal 2013. Earnings per share (EPS) from continuing operations (attributable to PCC) were \$2.88 (diluted, based on 147.1 million shares outstanding), compared to \$2.35 (diluted, based on 146.4 million shares outstanding) in the same period last year.

Including discontinued operations, total net income (attributable to PCC) for the first quarter of fiscal 2014 was \$436 million, or \$2.96 per share (diluted).

26. On August 8, 2013, the Company filed its Quarterly Report with the SEC on Form 10-Q for the quarterly period ended June 30, 2013. The Company's Form 10-Q reaffirmed the Company's financial statements and reports announced in the July 25, 2013 press release.

27. On October 24, 2013, Precision issued a press release announcing its second-quarter fiscal 2014 financial results. The Company stated as follows in that press release:

Precision Castparts Corp. (NYSE:PCP) delivered continued strong sales and earnings in the second quarter of fiscal 2014, driven by solid commercial aerospace demand, steady recovery in power markets, further top- and bottom-line contributions from TIMET, and unrelenting focus on operational improvements in each of the Company's facilities.

SECOND QUARTER FISCAL 2014 FINANCIAL RESULTS

Sales for the second quarter of fiscal 2014 set a record at \$2.36 billion, an increase of 23 percent over sales of \$1.93 billion during the same period last year, reflecting approximately 6 percent organic growth excluding the impact of contractual pass-through pricing and other changes in metal/revert pricing. Consolidated segment operating income showed a 30 percent year-over-year gain, growing to \$649 million in the second quarter of fiscal 2014 from \$498 million a year ago. In addition, net income from continuing operations (attributable to PCC) improved by 28 percent, moving to \$425 million in the quarter versus net income of \$332 million in the second quarter of fiscal 2013. Earnings per share (EPS) from continuing operations (attributable to PCC) were \$2.90 (diluted, based on 146.5 million shares outstanding), a 28 percent increase over last year's \$2.27 (diluted, based on 146.4 million shares outstanding). Including discontinued

operations, total net income (attributable to PCC) for the second quarter of fiscal 2014 was \$424 million, or \$2.89 per share (diluted).

28. On November 7, 2013, the Company filed its Quarterly Report with the SEC on Form 10-Q for the quarterly period ended September 29, 2013. The Company's Form 10-Q reaffirmed the Company's financial statements and reports announced in the October 24, 2013 press release.

29. On January 23, 2014, Precision issued a press release announcing its third-quarter fiscal 2014 financial results. The Company stated as follows in that press release:

Continuing to ship into healthy end markets and to effectively leverage operational throughput, Precision Castparts (NYSE:PCP) reported solid sales and earnings per share in the third quarter of fiscal 2014, tempered by late-quarter customer schedule shifts and fewer shipping days in the quarter.

Third Quarter Fiscal 2014 Financial Highlights

Precision Castparts (PCC) sales in the third quarter of fiscal 2014 were \$2.36 billion, a 16 percent increase over sales of \$2.03 billion a year ago, reflecting approximately 1 percent organic growth excluding the impact of contractual pass-through pricing and other changes in metal/revert pricing. Consolidated segment operating income grew by 27 percent year over year, rising to \$659 million, or 28.0 percent of sales, compared to \$518 million, or 25.5 percent of sales, in the same period last year. PCC reported a 27 percent improvement in net income from continuing operations (attributable to PCC) in the third quarter, generating \$432 million, versus net income of \$339 million a year ago. For the quarter, earnings per share (EPS) from continuing operations (attributable to PCC) were \$2.95 (diluted, based on 146.5 million shares of stock outstanding), compared to \$2.31 (diluted, based on 146.8 million shares of stock outstanding.)

A full quarter of TIMET, Texas Honing, and Synchronous, along with the benefit from several smaller acquisitions in the Forged Products and Airframe Products segments, contributed to the growth in year-over-year sales.

Including discontinued operations, the Company's total net income (attributable to PCC) for the third quarter of fiscal 2014 was \$433 million, or \$2.96 per share (diluted).

30. On February 6, 2014, the Company filed its Quarterly Report with the SEC on Form 10-Q for the quarterly period ended December 29, 2013. The Company's Form 10-Q

reaffirmed the Company's financial statements and reports announced in the January 23, 2014 press release.

31. On May 8, 2014, precision issued a press release announcing its fourth-quarter fiscal 2014 financial results. The Company stated as follows in that press release:

Precision Castparts Corp. (NYSE:PCP) delivered strong sales and earnings per share in the fourth quarter of fiscal 2014, effectively leveraging demand from robust end markets.

Fourth Quarter Fiscal 2014 Financial Highlights

Precision Castparts Corp. (PCC) sales in the fourth quarter of fiscal 2014 totaled \$2.53 billion, increasing 4 percent over sales of \$2.43 billion last year. Year-over-year organic growth was approximately 3 percent, excluding the impact of metal/revert pricing. Consolidated segment operating income improved by 15 percent year over year, growing to \$720 million, or 28.5 percent of sales, compared to \$626 million, or 25.7 percent of sales, a year ago. Net income from continuing operations (attributable to PCC) in the fourth quarter rose to \$479 million, versus net income of \$415 million in the fourth quarter of fiscal 2013. Earnings per share (EPS) from continuing operations (attributable to PCC) were \$3.27 in the quarter (diluted, based on 146.4 million shares of stock outstanding), compared to \$2.82 (diluted, based on 147.1 million shares of stock outstanding) in the same period last year.

Including discontinued operations, total net income (attributable to PCC) for the fourth quarter of fiscal 2014 was \$484 million, or \$3.31 per share (diluted).

32. On May 29, 2014, the Company filed its Annual Report with the SEC on Form 10-K for the fiscal year ended March 30, 2014. The Company's Form 10-K reaffirmed the Company's financial statements and reports announced in the May 8, 2014 press release.

33. The statements contained in ¶¶23-32 were materially false and/or misleading when made because defendants failed to disclose or indicate the following: (1) that the Company was losing significant market share to its competitors; (2) that this loss of business to competitors was not a temporary decline in sales that would reappear in the near future; and (3) that, as a result, the Company's positive statements about its business, operations, and prospects lacked a reasonable basis.

The Truth Begins to Emerge

34. On July 24, 2014, Precision issued a press release announcing its first-quarter fiscal 2015 financial results, which missed consensus estimates. The Company stated as follows in that press release:

In the first quarter of fiscal 2015, Precision Castparts Corp. (NYSE:PCP) showed steady sales growth year over year in its key end markets and continued to strongly leverage increasing production volumes.

First Quarter Fiscal 2015 Financial Highlights

Precision Castparts Corp. (PCC) sales in the first quarter of fiscal 2015 were \$2.53 billion, a 7 percent improvement over sales of \$2.37 billion last year. Year over year, organic sales growth was approximately 4 percent, excluding the impact of metal/revert pricing. Consolidated segment operating income showed a 14 percent increase year over year, climbing to \$736 million, or 29.1 percent of sales, versus \$644 million, or 27.2 percent of sales, a year ago. Net income from continuing operations (attributable to PCC) in the first quarter rose to \$484 million, compared to net income of \$424 million in the first quarter of fiscal 2014. Earnings per share (EPS) from continuing operations (attributable to PCC) were \$3.32 in the quarter (diluted, based on 145.9 million shares of stock outstanding), versus \$2.88 (diluted, based on 147.1 million shares of stock outstanding) in the same period last year.

First quarter sales were also positively impacted by a full quarter of Permaswage and two months of Aerospace Dynamics International.

Including discontinued operations, total net income (attributable to PCC) for the first quarter of fiscal 2015 was \$483 million, or \$3.31 per share (diluted).

35. While the truth began to leak into the market through the Company's disappointing quarterly results, on the earnings call discussing these results, Precision mischaracterized its loss of business as a temporary decline in sales that would reappear in the near future.

36. On this news, shares of Precision fell 5.5 percent, from \$250.03 per share at prior close to close on July 24, 2014 at \$236.21 per share.

37. On August 7, 2014, the Company filed its Quarterly Report with the SEC on Form 10-Q for the quarterly period ended June 29, 2014. The Company's Form 10-Q reaffirmed the Company's financial statements and reports announced in the July 24, 2014 press release.

38. On October 23, 2014, Precision issued a press release announcing its second-quarter fiscal 2015 financial results, which missed consensus estimates. The Company stated as follows in that press release:

Precision Castparts Corp. (NYSE:PCP) continued to grow total year-over-year sales and earnings in the second quarter of fiscal 2015, demonstrating solid leverage of its strong market share position in its primary end markets.

Second Quarter Fiscal 2015 Financial Highlights

Second quarter sales for Precision Castparts Corp. (PCC) totaled \$2.52 billion, increasing 8 percent relative to sales of \$2.34 billion in the same period a year ago. Organic sales growth was approximately 4 percent compared to last year, excluding the impact of metal/revert pricing. The company's consolidated segment operating income was \$706 million, or 28.0 percent of sales, growing by 9 percent from \$645 million, or 27.6 percent of sales, in the second quarter of fiscal 2014. Net income from continuing operations (attributable to PCC) in the second quarter rose to \$468 million, compared to net income of \$422 million in the second quarter of fiscal 2014. Earnings per share (EPS) from continuing operations (attributable to PCC) were \$3.24 in the quarter (diluted, based on 144.3 million shares of stock outstanding), versus EPS of \$2.88 (diluted, based on 146.5 million shares of stock outstanding) last year.

A full quarter of results from recent acquisitions, Permaswage and Aerospace Dynamics International, had a positive impact on second quarter sales and earnings, compared to the same period a year ago.

Including discontinued operations, total net income (attributable to PCC) for the second quarter of fiscal 2015 was \$467 million, or \$3.24 per share (diluted).

39. On the earnings call discussing these results, Precision continued to mischaracterize its loss of business as a temporary decline in sales that would reappear in the near future.

40. On this news, shares of Precision fell 2.1 percent, from a prior close of \$230.94 per share to close at \$226.20 per share.

41. On November 6, 2014, the Company filed its Quarterly Report with the SEC on Form 10-Q for the quarterly period ended September 28, 2014. The Company's Form 10-Q reaffirmed the Company's financial statements and reports announced in the October 23, 2014 press release.

42. The statements contained in ¶¶34-35, 37-39, and 41 were materially false and/or misleading when made because defendants failed to disclose or indicate the following: (1) that the Company was losing significant market share to its competitors; (2) that this loss of business to competitors was not a temporary decline in sales that would reappear in the near future; and (3) that, as a result, the Company's positive statements about its business, operations, and prospects lacked a reasonable basis.

The Full Truth is Revealed

43. On January 15, 2015, Precision preannounced missed third-quarter 2015 sales and earnings, stating in a press release as follows:

Precision Castparts Corp. (NYSE: PCP) announced today that lower demand in oil & gas end markets, further aerospace engine destocking at a single customer, year-end customer inventory management actions, and an extended equipment upgrade negatively impacted the company's third quarter fiscal year 2015 sales and earnings. The combination of these factors leads the company to expect that third quarter sales will be in the range of \$2.42 billion to \$2.47 billion and earnings per share (EPS) from continuing operations (attributable to PCC) in the range of \$3.05 to \$3.10 (diluted).

Late in the third quarter of fiscal 2015, the company saw demand deteriorate from its oil & gas distribution customers. Additionally, previously discussed destocking at a single commercial aerospace customer and calendar year-end customer inventory management actions had a greater impact on the third quarter than had been anticipated. Also, a key asset had an unexpected extended recovery following an upgrade. These factors most meaningfully affected Forged Products'

results, and Airframe Products was affected to a lesser degree by customers' year-end inventory management actions.

"Despite these challenges, the momentum in our aerospace business continues, and we have already begun to deliver the inventory deferred in the third quarter and expect to realize those sales in the fourth quarter," said Mark Donegan, Chairman and Chief Executive Officer of Precision Castparts Corp. "The equipment that was upgraded is now up and running and fully functional. Looking forward, PCC has strong technical expertise in the oil & gas markets and is pursuing new awards; however, those markets are clearly full of uncertainties at the moment. Regardless of these challenges, we are positioned for growth across our markets and expect to leverage that growth effectively over the long term."

44. On this news, shares of Precision declined from prior close of \$219.72 per share to \$199.63 per share at close on January 16, 2014, or 9.1 percent.

45. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

CLASS ACTION ALLEGATIONS

46. Plaintiff brings this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of all persons or entities who purchased or otherwise acquired the securities of Precision between May 9, 2013 and January 15, 2015, inclusive (the "Class"). Excluded from the Class are Defendants, members of the immediate family of each of the Individual Defendants, any subsidiary or affiliate of Precision, and the directors and officers of Precision and their families and affiliates at all relevant times.

47. The members of the Class are so numerous that joinder of all members is impracticable. The disposition of their claims in a class action will provide substantial benefits to the parties and the Court. As of May 19, 2015, Precision had 132,228,926 shares of common stock outstanding.

48. There is a well-defined community of interest in the questions of law and fact involved in this case. Questions of law and fact common to the members of the Class which predominate over questions which may affect individual Class members include:

- (a) Whether the Exchange Act was violated by Defendants;
- (b) Whether Defendants omitted and/or misrepresented material facts;
- (c) Whether Defendants' statements omitted material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;
- (d) Whether Defendants knew or recklessly disregarded that their statements were false and misleading;
- (e) Whether the price of Precision securities was artificially inflated; and
- (f) The extent of damage sustained by Class members and the appropriate measure of damages.

49. Plaintiff's claims are typical of those of the Class because Plaintiff and the Class sustained damages from Defendants' wrongful conduct.

50. Plaintiff will adequately protect the interests of the Class and has retained counsel experienced in securities class action litigation. Plaintiff has no interests that conflict with those of the Class.

51. A class action is superior to other available methods for the fair and efficient adjudication of this controversy.

UNDISCLOSED ADVERSE FACTS

52. The market for Precision's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and/or misleading statements, and/or failures

to disclose, Precision's securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Precision's securities relying upon the integrity of the market price of the Company's securities and market information relating to Precision, and have been damaged thereby.

53. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Precision's securities, by publicly issuing false and/or misleading statements and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and/or misleading. These statements and omissions were materially false and/or misleading in that they failed to disclose material adverse information and/or misrepresented the truth about Precision's business, operations, and prospects as alleged herein.

54. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Precision's financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein.

LOSS CAUSATION

55. During the Class Period, as detailed herein, Defendants made false and misleading statements and engaged in a scheme to deceive the market and a course of conduct

that artificially inflated the prices of Precision securities, and operated as a fraud or deceit on Class Period purchasers of Precision securities by misrepresenting the value and prospects for the Company's business, growth prospects, and accounting compliance. Later, when Defendants' prior misrepresentations and fraudulent conduct were disclosed to the market, the price of Precision securities fell precipitously, as the prior artificial inflation came out of the price. As a result of their purchases of Precision securities during the Class Period, Plaintiff and other members of the Class suffered economic loss, *i.e.*, damages, under the federal securities laws.

ADDITIONAL ALLEGATIONS REGARDING SCIENTER

56. During the Class Period, as alleged herein, the Individual Defendants acted with scienter in that the Individual Defendants knew or were reckless as to whether the public documents and statements issued or disseminated in the name of the Company during the Class Period were materially false and misleading; knew or were reckless as to whether such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws.

57. The Individual Defendants permitted Precision to release these false and misleading statements and failed to file the necessary corrective disclosures, which artificially inflated the value of the Company's stock.

58. As set forth herein, the Individual Defendants, by virtue of their receipt of information reflecting the true facts regarding Precision, their control over, receipt, and/or modification of Precision's allegedly materially misleading statements and omissions, and/or their positions with the Company that made them privy to confidential information concerning Precision, participated in the fraudulent scheme alleged herein.

59. The Individual Defendants are liable as participants in a fraudulent scheme and course of conduct that operated as a fraud or deceit on purchasers of Precision common stock by disseminating materially false and misleading statements and/or concealing material adverse facts. The scheme deceived the investing public regarding Precision's business, operations, and management and the intrinsic value of Precision securities and caused Plaintiff and members of the Class to purchase Precision securities at artificially inflated prices.

INAPPLICABILITY OF STATUTORY SAFE HARBOR

60. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as "forward-looking statements" when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements were made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Precision who knew that the statement was false when made.

PRESUMPTION OF RELIANCE

61. Plaintiff will rely upon the presumption of reliance established by the fraud-on-the-market doctrine in that, among other things:

(a) Defendants made public misrepresentations or failed to disclose material facts during the Class Period;

(b) the omissions and misrepresentations were material;

(c) the Company's stock traded in an efficient market;

(d) the misrepresentations alleged would tend to induce a reasonable investor to misjudge the value of the Company's securities; and

(e) Plaintiff and other members of the Class purchased Precision securities between the time Defendants misrepresented or failed to disclose material facts and the time the true facts were disclosed, without knowledge of the misrepresented or omitted facts.

62. At all relevant times, the markets for Precision securities were efficient for the following reasons, among others:

(a) as a regulated issuer, Precision filed periodic public reports with the SEC;

(b) Precision regularly communicated with public investors via established market communication mechanisms, including through regular disseminations of press releases on the major news wire services and through other wide-ranging public disclosures, such as communications with the financial press, securities analysts, and other similar reporting services;

(c) Precision was followed by several securities analysts employed by major brokerage firm(s) who wrote reports that were distributed to the sales force and certain customers of their respective brokerage firm(s) and that were publicly available and entered the public marketplace; and

(d) Precision common stock was actively traded in an efficient market, namely the NYSE, under the ticker symbol "PCP."

63. As a result of the foregoing, the market for Precision securities promptly digested current information regarding Precision from all publicly available sources and reflected such information in Precision's stock price. Under these circumstances, all purchasers of Precision securities during the Class Period suffered similar injury through their purchase of Precision's securities at artificially inflated prices and the presumption of reliance applies.

64. Further, to the extent that the Exchange Act Defendants concealed or improperly failed to disclose material facts with regard to the Company, Plaintiff is entitled to a presumption of reliance in accordance with *Affiliated Ute Citizens v. United States*, 406 U.S. 128, 153 (1972).

COUNT I
For Violation of Section 10(b) of the Exchange Act
and Rule 10b-5 Against All Defendants

65. Plaintiff repeats, incorporates, and realleges paragraphs 1 through 64 by reference.

66. During the Class Period, Defendants disseminated or approved the false statements specified above, which they knew or recklessly disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

67. Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 in that they:

- (a) Employed devices, schemes, and artifices to defraud;
- (b) Made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

(c) Engaged in acts, practices, and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of Precision securities during the Class Period.

68. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for Precision securities. Plaintiff and the Class would not have purchased Precision securities at the prices they paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by Defendants' misleading statements.

69. As a direct and proximate result of these Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their purchases of Precision securities during the Class Period.

COUNT II

For Violation of Section 20(a) of the Exchange Act Against the Individual Defendants

70. Plaintiff repeats, incorporates, and realleges paragraphs 1 through 64 by reference.

71. The Individual Defendants acted as controlling persons of Precision within the meaning of Section 20(a) of the Exchange Act. By virtue of their positions and their power to control public statements about Precision, the Individual Defendants had the power and ability to control the actions of Precision and its employees. By reason of such conduct, Defendants are liable pursuant to Section 20(a) of the Exchange Act.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment as follows:

- A. Declaring this action to be a proper class action pursuant to Federal Rule of Civil Procedure 23;
- B. Awarding Plaintiff and the members of the Class damages and interest;
- C. Awarding Plaintiff's reasonable costs, including attorneys' fees; and
- D. Awarding such equitable/injunctive or other relief as the Court may deem just and proper.

JURY DEMAND

Plaintiff demands a trial by jury.

DATED: March 25, 2016

Respectfully submitted,

**RANSOM, GILBERTSON, MARTIN &
RATLIFF, L.L.P.**

By: \s\ Jeffrey Ratliff

Jeffrey Ratliff
1500 NE Irving St., Suite 412
Portland, OR 97232

-and-

GLANCY PRONGAY & MURRAY LLP

Lionel Z. Glancy
Robert V. Prongay
Lesley F. Portnoy
Charles H. Linehan
1925 Century Park East, Suite 2100
Los Angeles, CA 90067
Telephone: (310) 201-9150
Facsimile: (310) 201-9160

Attorneys for Plaintiff